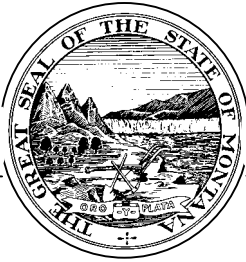


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DIVISION OF BANKING AND FINANCIAL INSTITUTIONS



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Montana Part of Massive Predatory Lending Settlement

HELENA – Attorney General Mike McGrath and Annie M. Goodwin, Commissioner of Banking and Financial Institutions, announced Monday that Montana will receive more than \$300,000 as part of a \$325 million predatory lending settlement involving Ameriquest Mortgage Company. The settlement includes attorneys general and financial regulators from 49 states and the District of Columbia.

“Too often, these companies target consumers who are vulnerable to begin with,” McGrath said, “and Ameriquest used especially aggressive sales tactics to pitch these loans.”

The unfair, deceptive practices alleged in the case include:

- telling consumers it offered lower or better rates than other companies when it did not, and inaccurately depicting other lenders’ rates;
- misrepresenting consumers’ credit ratings;
- misleading consumers into believing they could refinance at an even better rate after a few years with Ameriquest, and
- encouraging consumers to lie about employment or sources of income in order to close loans.

The settlement includes \$295 million in restitution to consumers, \$30 million to participating states and a number of changes to Ameriquest’s business practices. Montana’s share of the settlement is about \$330,000 in fees and other costs, and the funds will go toward future consumer protection actions. Restitution to Montana consumers is estimated at about \$135,000. Payments to consumers depend on a number of factors, including number of borrowers in the state, the size of loans, practices that occurred in the state and consumer participation in the settlement.

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Ameriquest is the nation's largest "sub-prime" lender. Sub-prime lenders often make loans to consumers who don't qualify for loans with mainstream lenders. Other customers might include homeowners who hope to consolidate credit card or other debt into a new mortgage and come out with overall monthly savings.

In the settlement, Ameriquest denies the allegations raised by the states, but agrees to take steps to prevent similar violations in the future. Changes include independent reviewers for closings, education programs and changing employees' compensation packages to eliminate quotas or incentives.

Legislation passed in 2005 moved primary consumer protection responsibilities to the Department of Justice.

Montana consumers who believe they've been harmed by Ameriquest's business practices should file a complaint with the Department of Justice's Office of Consumer Protection. A printable complaint form is available on the Department of Justice home page at www.doj.mt.gov, or by contacting the Office of Consumer Protection at (406) 444-4500.

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